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**SEVENTY-FOURTH REPORT**

**of the**

**Board of Directors**

**of the**

**Lehigh Valley Railroad Company**

**to the**

**Stockholders**

**For the Year Ended December 31, 1927**



# Lehigh Valley Railroad Company

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## Board of Directors

(Elected January 18, 1927)

JAMES F. BELL	J. WM. ROBBINS
MORRIS L. CLOTHIER	GEORGE T. SLADE
HENRY B. COXE	WILLIAM C. SPROUL
HENRY S. DRINKER	ALFRED H. SWAYNE
FRED M. KIRBY	S. BRINCKERHOFF THORNE
EDWARD S. MOORE	HARRY C. TREXLER
EDWARD E. LOOMIS, Ex-Officio	

## Officers

E. E. LOOMIS.....	PRESIDENT
J. A. MIDDLETON.....	VICE PRESIDENT—TRAFFIC
G. H. FOSTER.....	VICE PRESIDENT—OPERATION
R. W. BARRETT.....	VICE PRESIDENT AND GENERAL COUNSEL
C. E. HILDUM.....	VICE PRESIDENT AND COMPTROLLER
D. G. BAIRD.....	SECRETARY
A. F. BAYFIELD.....	TREASURER



1927

LEHIGH VALLEY RAILROAD COMPANY

# Seventy-fourth Report

Philadelphia, Pa., February 23, 1928.

To the Stockholders of the Lehigh Valley Railroad Company:

The Board of Directors submits herewith its report for the year ended December 31, 1927.

## INCOME

Total Operating Revenues .....	\$74,502,818.91
Total Operating Expenses .....	59,270,391.95
Net Operating Revenue.....	\$15,232,426.96
Railway Tax Accruals.....	\$3,473,511.60
Uncollectible Railway Revenues.....	9,646.82
Equipment Rents—Net.....	1,901,696.62
Joint Facility Rents—Net.....	11,804.59
	5,396,659.63
Net Railway Operating Income.....	\$9,835,767.33
Other Income.....	1,635,797.95
Total Income.....	\$11,471,565.28
Deductions from Income.....	7,205,558.34
Net Income.....	\$4,266,006.94

## PROFIT AND LOSS

Balance, December 31, 1926.....	\$63,094,673.13
Transferred from Income.....	4,266,006.94
Miscellaneous Items—Net.....	12,774.44
	\$67,373,454.51
Dividends:—	
Regular 7%, or \$3.50 per \$50 share—Common.....	\$4,235,119
Regular 10%, or \$5.00 per \$50 share—Preferred .....	10,630
	4,245,749.00
Balance, December 31, 1927.....	\$63,127,705.51

A comparative income statement in detail will be found on page 15.



## LEHIGH VALLEY RAILROAD COMPANY

## FINANCIAL

At the close of the year your Company held in its Treasury unpledged securities amounting to \$31,313,576.66, as shown on page 10, and, in addition, the following securities of its own issue:

General Consolidated Mortgage Bonds.....	\$38,086,000.00
Consolidated Real Estate Co. Bonds (assumed).....	2,600,000.00
	<hr/>
	\$40,686,000.00

Your Company has practically no maturities of outstanding obligations to meet for the next eleven years, when an issue of \$8,500,000 becomes due, the refunding of which is provided for in the General Consolidated Mortgage.

Since September 30, 1903, the date of the General Consolidated Mortgage, expenditures of approximately \$75,000,000 have been made for Additions and Betterments to the property of your Company and for other capital purposes, against which no new or additional securities have been issued.

The bonds of the Lehigh Valley Railroad Company and its subsidiaries in the hands of the public, as of December 31, 1927, amounted to \$125,989,000, no change compared with a year ago. The average interest rate is 4.62 per cent.

Your Company has no equipment trust obligations.

## ROAD AND EQUIPMENT

Expenditures for Additions and Betterments to road and equipment during 1927, including expenditures on subsidiary properties, amounted to \$11,863,898.50.

To meet the demand for prompt handling of automobiles for export and other heavy commodities for lighterage in New York Harbor, a new bulkhead was constructed west of Pier L, at the Jersey City terminal along the Tidewater Basin on the Hudson River. Adjacent to this bulkhead an area has been provided for storage which will accommodate over 500 crated automobiles or about 100 carloads; or may be used for any freight requiring handling by crane. A twenty-ton electric crane which travels the length of the bulkhead has been installed. Freight can be handled direct from car to lighter or to storage space. In addition to expediting the movement of freight through the terminal, this improvement will effect economies by the earlier release of cars.

Improvements at the Bronx Terminal, New York City, at 149th Street and Harlem River, increasing its capacity from 27 cars to 171 cars, were completed during the year. This terminal is now one of the most efficient in the territory. In addition to the improvements described as under way in the last report, three platforms for the unloading of automobiles were constructed and an additional crane for handling heavy freight was installed.

As a result of the demand for facilities for the handling of freight containers for use in less carload merchandise traffic, your Company installed crane facilities at its 27th Street Yard, New York City, and Scott Street Station, Buffalo. Similar facilities at Newark and Wilkes-Barre were under construction at the close of the year.

At the Wilson Avenue freight station in Newark a new office and platform were constructed and a new office and freight house were built at Suspension Bridge. Improved freight handling facilities were also provided at New York, Jersey City, Newark, Perth Amboy, Phillipsburg, Easton, Bethlehem, Hazleton, Fair Haven, Cazenovia, Moravia, DeRuyter, Rochester and Buffalo.

Additional tracks to facilitate the efficient handling of business were installed at Jersey City, Bayonne, Newark, South Plainfield, Landsdown, East Penn Junction, Catasauqua, Hazleton, Laddsburg, Towanda, Skimmers Eddy, Owego, Wadsworth, Manchester and Tift Terminal, Buffalo, while new industrial tracks were constructed to provide facilities for business concerns at Jersey City, Bayonne, Hillside, Perth Amboy, Lincoln, Phillipsburg, Easton, Allentown, Coplay, White Haven, Wilkes-Barre, Forty Fort, Coxton, Leonards, Oaks Corners, Ithaca, Elmira, Rochester, Buffalo and Suspension Bridge.

## LEHIGH VALLEY RAILROAD COMPANY

The freight carrying equipment of your railroad was increased during the year by the receipt of 502 seventy-ton coal cars; 500 fifty-five-ton box cars; 200 fifty-ton automobile cars and an oil-electric locomotive for switching service at the Bronx Terminal, New York City.

Passenger equipment was increased by the addition of eight gas-electric motor cars and eight trailer cars for use with these motors, making a total of 19 motor cars and 14 trailers in service.

Work equipment was increased by the addition of 35 dump cars.

New York Harbor equipment was increased by 3 steel platform floats, each with a capacity of 12 cars, and a gasoline hoist derrick lighter.

The new trunk telephone line between New York and Buffalo, described in the last report, was completed and put in service.

Creosoted ties placed in the track during the year totaled 343,148. At the end of the year 78% of all the ties in main, branch and side tracks were creosoted.

New 136-lb rail was laid a distance of  $27\frac{3}{4}$  track miles during the year and 85.8% of your Company's main line between Jersey City and Buffalo is now equipped with this rail, the heaviest used by any railroad.

Automatic train control apparatus was installed on a second passenger division so that a total of 658 miles of track of the main line of your company is now equipped with automatic train control.

To meet government requirements for a clearance of thirty-five feet above mean low tide, construction of a new bridge and approaches across Newark Bay has been started and the work is well under way. As the result of the increased elevation of the new bridge, it has become necessary to raise Oak Island Yards, Newark. At the same time, it was decided to enlarge and improve these yards in order to meet traffic requirements. A new freight transfer and an engine terminal are being included in the improvements.

Work on the new double track tunnel through Musconetcong Mountain, immediately south of the present tunnel, made satisfactory progress. This new tunnel is 4,850 feet long and when completed will provide ample clearance for the largest locomotives and cars. The headings, which are being driven from both sides of the mountain, at the close of the year were 1,646 feet apart. It is expected that the work will be finished by the end of 1928.

## GENERAL REMARKS

Confronted with an extraordinary decrease in coal traffic and, in the latter part of the year, with declines in merchandise freight and passenger traffic, the management of your Company, nevertheless, went ahead with its normal improvement program in 1927, deeming it to the best interest of the stockholders to continue with the development of the property, putting it in shape to meet future demands upon it. By discontinuing all improvements and deferring some maintenance, it would have been possible to have shown larger earnings. As has been pointed out, expenditures of more than \$11,000,000 were made for Capital Account and work of this character carries with it heavy charges to Operating Expenses. With its adequate terminals and the improvements along its line, the Lehigh Valley is now equipped to handle 35% to 50% additional business without a proportional increase in expenses.

Coal mining conditions, generally, at the beginning of 1928, are complex, but the anthracite situation is one for the utmost concern. The price at which anthracite is selling, the impression of uncertainty of supply the public has gained as a result of the series of strikes which has marked recent history in the industry and the steady drive on the part of manufacturers of substitutes have affected the situation adversely. Anthracite producers have come face to face with the fact that they can dispose of their product only under the strongest competitive conditions. So far as the future is concerned, it is apparent that the leaders of the anthracite industry are keenly alive to conditions and are making vigorous efforts to improve them.



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LEHIGH VALLEY RAILROAD COMPANY

Your Company was particularly fortunate during a year such as 1927 proved to be in locating on its rails 97 new industries, including 87 with direct track connections. A total of 15½ miles of new track were built to serve the industries thus located. It is worthy of special mention that a new cold and dry storage warehouse, with docking space for vessels of the Great Lakes, has been constructed directly on Lake Erie at Tifft Terminal, Buffalo, on a site purchased from your Company. The properties of your Company held for development at Buffalo, at Industrial Hillside, Newark, and elsewhere, continued to attract attention and several propositions were under negotiations at the close of the year.

Included in this report will be found a new map of the Lehigh Valley Railroad. It will afford stockholders a better idea of their property and calls attention particularly to the opportunities it offers for the location of industrial enterprises.

F. L. Blendinger, Vice President-Operation, retired because of ill health and E. H. Boles, Vice President and General Counsel, resigned to enter other business. G. H. Foster was promoted to Vice President-Operation and R. W. Barrett to Vice President and General Counsel.

To employees of your Company are due thanks for their faithful work during the year.

E. E. LOOMIS,  
President.



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## LEHIGH VALLEY RAILROAD COMPANY

Table 1

## GENERAL BALANCE SHEET

ASSETS		
INVESTMENTS:		
In road.....(See Note below)	\$38,686,806.37	
In equipment.....	74,560,150.41	\$113,246,956.78
Improvements on leased railway property.....		1,850,742.87
Sinking Funds .....		10,450.00
Miscellaneous physical property.....		2,147,952.73
Investments in affiliated companies:		
Stocks .....	\$53,520,689.28	
Bonds .....	20,856,130.00	
Advances .....	27,136,265.48	101,513,084.76
Other investments:		
Stocks .....	\$685,684.45	
Bonds .....	4,001,892.83	
Notes .....	62,996.88	
Miscellaneous .....	5,722.00	4,756,296.16
Total investments .....		223,525,483.30
CURRENT ASSETS:		
Cash .....	\$4,570,187.56	
Special deposits .....	32,925.75	
Loans and bills receivable.....	2,441.65	
Traffic and car-service balances receivable.....	514,447.84	
Net balance receivable from agents and conductors.....	1,019,793.06	
Miscellaneous accounts receivable.....	1,436,619.43	
Material and supplies.....	6,523,266.94	
Interest and dividends receivable.....	112,925.02	
Rents receivable .....	7,384.56	
Other current assets.....	316,653.60	
Total current assets.....		14,536,645.41
DEFERRED ASSETS:		
Working fund advances.....	\$113,059.60	
Insurance and other funds.....	57,606.47	
Other deferred assets.....	1,004.29	
Total deferred assets.....		171,670.36
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance.....	\$18,056.57	
Other unadjusted debits.....	2,778,921.74	
Total unadjusted debits.....		2,796,978.31
TOTAL ASSETS .....		\$241,030,777.38

NOTE:—The item Investment in Road represents only road property of Lehigh Valley Railroad Company proper (Phillipsburg, N. J., to Wilkes-Barre, Pa.). The total road and equipment investment of the system, including transportation subsidiaries, owned by your Company, is \$256,008,658.42.

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## LEHIGH VALLEY RAILROAD COMPANY

DECEMBER 31, 1927

LIABILITIES		
Stock:		
Common stock.....	\$60,501,700.00	.....
Preferred stock.....	106,300.00	.....
Total stock outstanding.....		\$60,608,000.00
Long-Term Debt:		
Funded debt.....	\$117,936,000.00	.....
Less—Funded debt held in treasury.....	40,686,000.00	.....
Total long-term debt outstanding.....		77,250,000.00
Current Liabilities:		
Traffic and car-service balances payable.....	\$128,879.42	.....
Audited accounts and wages payable.....	7,199,433.95	.....
Miscellaneous accounts payable.....	282,504.99	.....
Interest matured unpaid.....	405,323.75	.....
Dividends matured unpaid.....	15,595.48	.....
Funded debt matured unpaid.....	15,000.00	.....
Unmatured dividends declared.....	1,061,437.25	.....
Unmatured interest accrued.....	526,155.01	.....
Unmatured rents accrued.....	513,824.74	.....
Other current liabilities.....	335,888.89	.....
Total current liabilities.....		10,484,043.48
Deferred Liabilities:		
Liability for provident funds.....	\$38,064.47	.....
Other deferred liabilities.....	279,127.20	.....
Total deferred liabilities.....		317,191.67
Unadjusted Credits:		
Tax liability.....	\$1,511,096.43	.....
Accrued depreciation—Equipment.....	25,636,377.62	.....
Other unadjusted credits.....	1,869,249.33	.....
Total unadjusted credits.....		29,016,723.38
Corporate Surplus:		
Additions to property through income and surplus.....	\$227,113.34	.....
Profit.....	63,127,705.51	.....
Total corporate surplus.....		63,354,818.85
Total Liabilities.....		\$241,030,777.38



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## LEHIGH VALLEY RAILROAD COMPANY

Table 2 Statement of Securities of Affiliated Operated Companies Owned, December 31, 1927

KIND	PAR VALUE		
	PLEGDED	UNPLEGDED	TOTAL
<b>STOCKS:</b>			
Bay Shore Connecting Railroad Co.....		\$27,900.00	\$27,900.00
Delaware, Susquehanna & Schuylkill Rail Road Co.....		1,500,000.00	1,500,000.00
Easton & Northern Railroad Co.....	\$565,000.00		565,000.00
Lehigh & New York Railroad Co.—Preferred .....	3,353,130.00		3,353,130.00
Lehigh & New York Railroad Co.—Common .....	155,100.00		155,100.00
Lehigh Valley Harbor Terminal Railway Co.....		100,000.00	100,000.00
Lehigh Valley Railroad Co. of New Jersey.....	20,433,000.00		20,433,000.00
Lehigh Valley Rail Way Co.....	11,745,000.00		11,745,000.00
Loyalsock Railroad Co.....	825,000.00		825,000.00
Montrose Railroad Co.....		100,000.00	100,000.00
Pennsylvania & New York Canal & Railroad Co.....	1,511,550.00		1,511,550.00
Schuylkill & Lehigh Valley Railroad Co.....	500,000.00		500,000.00
Miscellaneous .....		8,500.00	8,500.00
Total .....	\$39,087,780.00	\$1,736,400.00	\$40,824,180.00
<b>BONDS:</b>			
Easton & Northern Railroad Co., First Mortgage.....		\$250,000.00	\$250,000.00
Easton & Northern Railroad Co., Debentures .....	\$23,000.00		23,000.00
Greenville & Hudson Railway Co., First Mortgage.....		350,000.00	350,000.00
Irvington Railroad Co., First Mortgage.....		125,000.00	125,000.00
Lehigh-Buffalo Terminal Railway Corp'n, First Mortgage.....		5,000,000.00	5,000,000.00
Lehigh Valley Railroad Co. of New Jersey, Debentures.....	3,310,000.00		3,310,000.00
Lehigh Valley Rail Way Co., Debentures.....	6,643,000.00		6,643,000.00
Lehigh Valley Terminal Railway Co., First Mortgage.....		1,000.00	1,000.00
Loyalsock Railroad Co., Debentures.....	35,000.00		35,000.00
Middlesex Valley Railroad Co., First Mortgage.....		410,000.00	410,000.00
Montrose Railroad Co., First Mortgage .....		100,000.00	100,000.00
Montrose Railroad Co., Debentures .....		12,000.00	12,000.00
Penna. & New York Canal & Railroad Co., Debentures.....	1,640,000.00		1,640,000.00
Rochester Southern Railroad Co., First Mortgage.....		425,000.00	425,000.00
Schuylkill & Lehigh Valley Railroad Co., First Mortgage.....		2,000,000.00	2,000,000.00
Schuylkill & Lehigh Valley Railroad Co., Debentures .....	6,000.00		6,000.00
Seneca County Railway, First Mortgage.....		500,000.00	500,000.00
Total .....	\$11,657,000.00	\$9,173,000.00	\$20,830,000.00
Grand Total .....	\$50,744,780.00	\$10,909,400.00	\$61,654,180.00
Book Value of the above securities.....	\$47,819,538.78	\$10,909,400.00	\$58,728,938.78

NOTE:—As the income from the operation of these properties is included in the Income Account of the Lehigh Valley Railroad Co., no dividends or interest are received on these securities.

## Statement of Other Securities Owned.

KIND	PAR VALUE			DIVIDENDS AND INTEREST
	PLEGDED	UNPLEGDED	TOTAL	
STOCKS:				
Buffalo Creek Railroad Co.....		\$125,000.00	\$125,000.00	\$8,750.00
Coxe Bros. & Co., Incorporated.....		2,910,150.00	2,910,150.00	97,602.94
Highland Coal Co.....		120,000.00	120,000.00	12,000.00
Ironton Railroad Co.....		400,000.00	400,000.00	.....
Lehigh & Hudson River Railway Co.....		572,800.00	572,800.00	68,736.00
National Storage Co.....		240,000.00	240,000.00	.....
New York & Middle Coal Field Railroad & Coal Co.....		1,216,325.00	1,216,325.00	105,000.00
Wyoming Valley Water Supply Co.....		1,686,900.00	1,686,900.00	125,000.00
Miscellaneous .....		5,327.45	5,327.45	6,840.00
Total .....		\$7,276,502.45	\$7,276,502.45	\$423,928.94
BONDS:				
Baltimore and Ohio Railroad Co., Ten Year Secured 6%.....		\$435,000.00	\$435,000.00	\$26,100.00
Chicago, St. Paul, Minn. & Omaha Rwy. Co., Consolidated Mortgage 6% .....		233,000.00	233,000.00	13,980.00
Cleveland, Cinn., Chicago & St. Louis R. R. Co., 4½% and 6% .....		469,000.00	469,000.00	26,265.00
Erie Railroad Co., Consolidated External 7%.....		250,000.00	250,000.00	17,500.00
New York State Realty and Terminal Co., 4½% Mortgage.....		150,000.00	150,000.00	6,750.00
Pennsylvania R. R. Co., Ten Year Secured 7% Gold.....		225,000.00	225,000.00	15,750.00
South Carolina & Georgia Rwy. Co., First Mortgage 5½% .....		175,000.00	175,000.00	9,625.00
St. Louis & San Francisco Rwy. Co., Prior Lien 6%.....		527,000.00	527,000.00	31,620.00
Equipment Trust Certificates.....		669,000.00	669,000.00	41,540.00
Miscellaneous .....		824,900.00	824,900.00	42,210.00
Interest Received on Bonds Sold.....		.....	.....	160,609.34
Total .....		\$3,957,900.00	\$3,957,900.00	\$391,949.34
Other Securities .....		\$5,722.00	\$5,722.00	.....
Total Bonds and Other Securities.....		\$3,963,622.00	\$3,963,622.00	b \$391,949.34
Grand Total .....		\$11,240,124.45	\$11,240,124.45	\$815,878.28
Book Value of the above securities.....		\$20,404,176.66	\$20,404,176.66	

a Pledged under Lehigh Valley Railroad Company General Consolidated Mortgage of Sept. 30, 1903.

b Total interest received on Bonds and Other Securities \$391,949.34 does not agree with the Income from Funded Securities as shown on the Income Statement, Page 15, inasmuch as "Interest during Construction," \$125,674.08 is not included in this table.

The book value of the securities \$79,133,115.44 is carried on the balance sheet as follows:

Investments in Affiliated Companies—Stocks and Bonds..... \$74,376,819.28  
Other Investments—Stocks, Bonds, Notes and Miscellaneous..... \$4,756,296.16



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## LEHIGH VALLEY RAILROAD COMPANY

Statement of Funded Debt, December 31, 1927

Table 3

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	IN TREASURY OF THE COMPANY	IN HANDS OF THE PUBLIC	INTEREST		
					RATE	PAYABLE	ACCRUED DURING THE YEAR
LEHIGH VALLEY RAILROAD COMPANY:							
First Mortgage Bonds.....	May 15, 1868	June 1, 1948	.....	\$5,000,000	4%	June and Dec.	\$200,000.00
Consolidated Mortgage Bonds.....	Nov. 13, 1873	{ Perpetual	.....	10,062,000	6%	June and Dec.	603,720.00
		{ Perpetual	.....	2,538,000	4½%	June and Dec.	114,210.00
			\$12,686,000	26,553,000	4%	May and Nov.	1,078,120.00
*General Consolidated Mortgage Bonds.....	Sept. 30, 1903	May 1, 2003	1,000,000	20,697,000	4½%	May and Nov.	931,365.00
			24,400,000	12,000,000	5%	May and Nov.	600,000.00
CONSOLIDATED REAL ESTATE COMPANY:							
First Mortgage Bonds.....	Feb. 1, 1906	Feb. 1, 1956	2,600,000	.....	4%	Feb. and Aug.	.....
Total Funded Debt and Interest.....			\$40,686,000	\$77,250,000	.....	.....	\$3,527,415.00

\*Amount of authorized issue, \$150,000,000.

†Excludes interest on securities in the Treasury.

Guaranties and Rentals, Year Ended December 31, 1927

Table 4

GUARANTIES	DATE OF ISSUE	DATE OF MATURITY	IN HANDS OF THE PUBLIC	GUARANTIES AND RENTALS		
				RATE	PAYABLE	ACCRUED DURING THE YEAR
ENTIRE CAPITAL STOCK OWNED:						
Lehigh Valley Terminal Railway Co., First Mortgage Bonds.....	Oct. 1, 1891	Oct. 1, 1941	\$9,999,000	5%	April and Oct.	\$499,950.00
Easton & Northern Railroad Co., First Mortgage Bonds.....	Oct. 7, 1895	Nov. 1, 1935	50,000	4½%	May and Nov.	2,250.00
			4,000,000	5%	April and Oct.	200,000.00
Penna. & N. Y. Canal & Railroad Co., Consolidated Mortgage Bonds	Nov. 13, 1888	April 1, 1939	1,500,000	4½%	April and Oct.	67,500.00
			3,000,000	4%	April and Oct.	120,000.00
The Lehigh Valley Rail Way Co., First Mortgage Bonds.....	June 23, 1890	July 1, 1940	15,000,000	4½%	Jan. and July	675,000.00
The Lehigh Valley Rail Way Co., Mortgage on Mott Haven Prop- erty, N. Y. City.....	June 29, 1926	June 29, 1931	375,000	5%	June and Dec.	9,375.00
Middlesex Valley Railroad Co., First Mortgage Bonds.....	Aug. 26, 1892	Nov. 1, 1942	190,000	5%	May and Nov.	9,500.00
The Lehigh & Lake Erie Railroad Co., First Mortgage Bonds.....	Mar. 1, 1907	Mar. 1, 1957	3,000,000	4½%	Mar. and Sept.	135,000.00
Lehigh Valley Harbor Terminal Railway Co., First Mortgage Bonds.	Feb. 1, 1924	Feb. 1, 1954	10,000,000	5%	Feb. and Aug.	500,000.00
MAJORITY CAPITAL STOCK OWNED:						
Lehigh & New York Railroad Co., First Mortgage Bonds.....	Aug. 24, 1895	Sept. 1, 1945	2,000,000	4%	Mar. and Sept.	80,000.00
Total .....			\$49,114,000	.....	.....	\$2,298,575.00
RENTALS—LINES NOT OWNED:						
State Line and Sullivan Railroad Co.....						40,000.00
Raritan Terminal and Transportation Co.....						2,000.00
New York Central Railroad Co.....						11,883.96
Total Interest and Rentals.....						\$2,352,458.96

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## LEHIGH VALLEY RAILROAD COMPANY

## ADDITIONS AND BETTERMENTS, ENTIRE SYSTEM, YEAR ENDED

DECEMBER 31, 1927

Table 5

	EXPENDITURES AND CHARGES	RETIREMENTS	NET AMOUNT
Engineering .....	\$125,864.78	\$110.96	\$125,753.82
Land for transportation purposes.....	593,440.11	39,614.95	553,825.16
Grading .....	886,884.47	12,197.74	874,686.73
Tunnels and subways.....	1,409,164.22	.....	1,409,164.22
Bridges, trestles and culverts.....	477,803.98	3,230.67	474,573.31
Ties .....	70,778.40	10,247.92	60,530.48
Rails .....	169,523.67	10,240.97	159,282.70
Other track material.....	242,414.81	8,001.57	234,413.24
Ballast .....	161,176.98	1,384.60	159,792.38
Track laying and surfacing.....	113,544.05	10,001.70	103,542.35
Assessments for public improvements.....	20,321.26	.....	20,321.26
Roadway small tools.....	452.32	.....	452.32
Crossings and signs.....	48,763.08	7,505.10	41,257.98
Station and office buildings.....	405,061.57	22,377.06	382,684.51
Roadway buildings.....	40,288.05	5,095.00	35,193.05
Water stations.....	16,879.96	.....	16,879.96
Fuel stations .....	62,210.47	17,042.89	45,167.58
Shops and engine houses.....	281,899.81	7,247.50	274,652.31
Grain elevators.....	4,302.77	.....	4,302.77
Wharves and docks.....	790,566.83	1,625.14	788,941.69
Coal and ore wharves.....	10,590.15	.....	10,590.15
Telegraph and telephone lines.....	158,855.67	.....	158,855.67
Signals and interlockers.....	214,753.40	3,092.41	211,660.99
Power plant buildings.....	6,428.67	.....	6,428.67
Power transmission systems.....	9,835.18	980.00	8,855.18
Power distribution systems.....	25,760.51	.....	25,760.51
Power line poles and fixtures.....	16,012.01	.....	16,012.01
Miscellaneous structures .....	2,925.80	.....	2,925.80
Roadway machines .....	9,920.31	.....	9,920.31
Other expenditures—road .....	11,043.55	.....	11,043.55
Shop machinery .....	162,469.56	13,451.23	149,018.33
Power sub-station apparatus.....	.....	3,411.50	3,411.50
Steam locomotives .....	268,705.61	407,076.72	138,371.11
Other locomotives .....	52,800.00	.....	52,800.00
Freight train cars.....	3,159,904.39	865,262.47	2,294,641.92
Passenger train cars.....	396,647.96	139,158.58	257,489.38
Motor equipment of cars.....	235,006.40	.....	235,006.40
Floating equipment .....	288,071.90	3,325.00	284,746.90
Work equipment.....	339,300.09	123,823.03	215,477.06
Miscellaneous equipment .....	10,593.35	2,424.13	8,169.22
General expenditures .....	562,932.40	10.47	562,921.93
Total .....	\$11,863,898.50	\$1,717,939.31	\$10,145,959.19



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**LEHIGH VALLEY RAILROAD COMPANY**  
**EQUIPMENT (Entire System) AS OF DECEMBER 31, 1927**

Table 6

LOCOMOTIVES: (Includes two oil-electric switch engines)	900
Tractive power (pounds).....	39,079,965
PASSENGER EQUIPMENT:	233
Passenger .....	44
Combined passenger and baggage .....	2
Combined passenger and baggage (Gasoline Motor).....	11
Combined passenger and baggage (Gasoline-Electric Motor).....	1
Combined passenger and mail (Gasoline-Electric Motor).....	22
Combined baggage and mail .....	2
Combined baggage and mail (Gasoline-Electric Motor).....	2
Combined mail, baggage and passenger (Gasoline-Electric Motor) .....	171
Baggage and express.....	1
Baggage and express (Gasoline-Electric Motor).....	15
Dining .....	1
Kitchen .....	3
Library buffet.....	172
Milk .....	680
Total .....	
FREIGHT EQUIPMENT:	12,092
Box .....	14,185
Coal .....	2,650
Gondola .....	35
Flat .....	24
Refrigerator .....	904
Automobile .....	352
Ice .....	3
Well .....	1
Set of gun and armor trucks.....	422
Cabooses .....	30,668
Total .....	
WORK EQUIPMENT:	1
Air-brake instruction.....	149
Air-dump .....	493
Ash .....	65
Coal .....	24
Derrick .....	40
Flat .....	528
Gondola .....	15
Grading .....	1
Hospital .....	46
Locomotive cranes.....	5
Official .....	2
Pile driver.....	2
Poling .....	9
Rail loader .....	3
Scale-test .....	20
Snow flangers.....	10
Snow plows.....	4
Spreader .....	2
Steam shovels.....	3
Tank .....	32
Tool .....	2
Tunnel .....	1
Unloader .....	390
Workmen's .....	33
Work equipment tenders.....	1,880
Total .....	
FLOATING EQUIPMENT:	16
Tugs .....	4
Steam lighters.....	27
Hoists .....	170
Barges .....	35
Car floats.....	9
Service boats.....	261
Total .....	

NOTE:—In addition to the above there are 403 Refrigerator cars leased to Merchants Despatch, Inc., capacity 10,075 tons.

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## LEHIGH VALLEY RAILROAD COMPANY

## MILEAGE OF ROAD AND TRACK OPERATED, DECEMBER 31, 1927

Table 7

By Corporate Ownership

	MILES OF ROAD	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	INDUS- TRIAL TRACK MILES	YARD TRACKS & SIDINGS MILES	TOTAL TRACK MILES
LEHIGH VALLEY RAILROAD COMPANY.....	278.66	186.99	43.79	29.99	112.92	259.03	911.38
CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK:							
Lehigh Valley Railroad Company of New Jersey.....	121.51	91.16	38.14	18.25	51.45	237.19	557.70
Pennsylvania and New York Canal and Railroad Com- pany .....	123.56	97.94	4.78	2.03	54.52	186.63	469.46
The Lehigh Valley Rail Way Company.....	514.91	197.50	15.82	.....	35.19	317.63	1,081.05
The Delaware, Susquehanna and Schuylkill Rail Road Company .....	10.70	8.03	.....	.....	13.12	3.81	35.66
Easton & Northern Railroad Company.....	12.78	.....	.....	.....	4.00	1.26	18.04
The Schuylkill and Lehigh Valley Railroad Company..	41.84	.....	.....	.....	3.08	5.15	50.07
Loyalsock Railroad Company.....	44.95	.....	.....	.....	4.41	5.27	54.63
Montrose Railroad Company.....	27.36	.....	.....	.....	1.50	2.26	31.12
National Storage Company.....	.....	.....	.....	.....	.76	7.90	8.66
Lehigh Valley Harbor Terminal Railway Company....	.....	.....	.....	.....	.....	10.99	10.99
Total .....	897.61	394.63	58.74	20.28	168.03	778.09	2,317.38
CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK AND LEASE:							
Lehigh and New York Railroad Company.....	115.37	.....	.....	.....	8.70	32.34	156.41
OPERATED UNDER LEASE:							
State Line and Sullivan Railroad Company.....	24.03	.....	.....	.....	1.10	2.62	27.75
Hayts Corners, Ovid and Willard Railroad Company..	2.98	.....	.....	.....	.20	.....	3.18
New York Central Railroad Company.....	.....	.....	.....	.....	.....	12.65	12.65
Raritan Terminal and Transportation Company.....	.....	.....	.....	.....	.60	.....	.60
Total .....	27.01	.....	.....	.....	1.90	15.27	44.18
OPERATED UNDER AGREEMENT JOINTLY WITH THE CENTRAL RAILROAD COMPANY OF NEW JERSEY:							
Bay Shore Connecting Railroad Company.....	.....	.....	.....	.....	2.77	.....	2.77
Easton and Northern R. R. Co.—E. & W. Connection..	.12	.....	.....	.....	.07	.....	.19
Total .....	.12	.....	.....	.....	2.84	.....	2.96
TRackage RIGHTS:							
Pennsylvania Railroad Company.....	20.14	18.30	.....	.....	.....	.....	38.44
Peoples Railway Company.....	3.47	.....	.....	.....	.....	.....	3.47
Delaware and Hudson Company.....	.....	.....	.....	.....	.....	3.94	3.94
Erie and Wyoming Valley Railroad Company.....	.....	.88	.....	.....	.....	.....	.88
Lehigh and New England Railroad Company.....	.....	.....	.....	.....	.....	1.18	1.18
Susquehanna and New York Railroad Company.....	4.01	.....	.....	.....	.....	.....	4.01
Mountain Spring Water Ice Company.....	.....	.....	.....	.....	.84	.....	.84
Haddock Mining Company.....	.....	.....	.....	.....	.50	.....	.50
Middle Lehigh Coal Company.....	.....	.....	.....	.....	2.42	.....	2.42
Central Railroad Company of New Jersey.....	.....	.....	.....	.....	1.00	.08	1.08
New York, Ontario and Western Railroad Company..	.10	.....	.....	.....	.....	.....	.10
Western New York and Pennsylvania Railway Company	.....	.....	.....	.....	.....	.34	.34
Erie Railroad Company.....	.....	.....	.....	.....	.....	1.52	1.52
New York Central Railroad Company.....	17.30	15.09	1.48	.....	27.57	24.06	85.50
Buffalo Creek Railroad Company.....	.....	.....	.....	.....	.....	5.93	5.93
Reading Company .....	.....	.....	.....	.....	.77	.....	.77
Total .....	45.02	34.27	1.48	.....	33.10	37.05	150.92
Grand Total.....	1,363.79	615.89	104.01	50.27	327.49	1,121.78	3,583.23
MILEAGE BY STATES:							
Pennsylvania .....	573.27	293.79	48.57	32.02	200.25	471.18	1,619.08
New York .....	651.86	213.79	17.30	.....	71.75	395.81	1,350.51
New Jersey .....	138.66	108.31	38.14	18.25	55.49	254.79	613.64
Total .....	1,363.79	615.89	104.01	50.27	327.49	1,121.78	3,583.23



1927

## LEHIGH VALLEY RAILROAD COMPANY

## INCOME STATEMENT

For the Years Ended December 31, 1927 and 1926

Table 8

	1927	PER CENT. OF OPERATING REVENUES	1926	PER CENT. OF OPERATING REVENUES	INCREASE	DECREASE
AVERAGE MILES OF ROAD OPERATED.....	1,363.85		1,363.76		.09	
OPERATING REVENUES:						
Freight revenue.....	\$19,549,532.71		\$22,870,174.69			\$3,320,641.98
Anthracite coal freight revenue.....	1,572,855.69	26	2,274,315.89			701,460.20
Bituminous coal freight revenue.....	40,085,291.48	54	41,638,101.43			1,552,809.95
Merchandise freight revenue.....	7,688,474.01	10	7,936,046.36			247,572.35
Passenger revenue.....	319,521.19	—	307,769.80		\$11,751.39	
Mail revenue.....	1,324,597.72	2	1,362,807.86			38,210.14
Express revenue.....	2,667,968.47	4	2,892,728.73			225,660.26
Other transportation revenue.....	1,295,477.64	2	1,171,204.61		124,273.03	
Incidental revenue.....						
Total Operating Revenues.....	\$74,502,818.91	100	\$80,453,149.97			\$5,950,331.06
OPERATING EXPENSES:						
Maintenance of way and structures.....	\$8,310,465.64	11	\$9,176,528.61			\$866,062.97
Maintenance of equipment.....	16,880,947.63	23	17,190,979.84			310,032.21
Traffic expenses.....	1,922,773.69	2	1,573,920.64		\$58,853.05	
Transportation expenses.....	30,443,618.83	41	30,935,757.84			658,846.22
Miscellaneous operations.....	1,717,742.40	1	421,508.41		22,140.42	
General expenses.....	22,097.86	2	1,674,231.59		73,510.81	
Transportation for investment—Cr.....			14,291.41			7,806.45
Total Operating Expenses.....	\$59,270,391.95	80	\$60,958,635.52			\$1,688,243.57
NET OPERATING REVENUE.....	\$15,232,426.96		\$19,494,514.45			\$4,262,087.49
DEDUCTIONS FROM REVENUE:						
Railway tax accruals.....	\$3,473,511.60		\$4,193,976.29			\$720,464.69
Uncollectible railway revenues.....	9,646.82		11,800.48			2,153.66
Equipment rents—net.....	1,901,696.62		1,588,810.96		\$312,885.66	
Joint facility rents—net.....	11,804.59		102,678.01		114,482.60	
NET RAILWAY OPERATING INCOME.....	\$9,835,767.33		\$13,802,604.73			\$3,966,837.40
OTHER INCOME:						
Misc. non-operating physical property.....	\$216,415.42		\$233,756.90			\$17,341.48
Separately operated properties—profit.....	253,490.92		374,396.43			120,905.51
Dividend income.....	433,928.94		1,740,211.27			1,306,282.33
Income from funded securities.....	517,633.42		570,072.75			52,439.33
Income from unfunded securities and accounts.....	147,437.45		199,142.71			51,705.26
Miscellaneous income.....	76,901.80		46,441.30		\$30,460.50	
Total Other Income.....	\$1,635,797.95		\$3,164,021.36			\$1,528,223.41
Total Income.....	\$11,471,565.28		\$16,966,626.09			\$5,495,060.81
DEDUCTIONS FROM INCOME:						
Rent for leased roads.....	\$2,352,459.96		\$2,342,039.45		\$10,419.51	
Miscellaneous rents.....	347,042.03		321,659.41		25,387.62	
Miscellaneous tax accruals.....	340,260.99		534,713.90			\$194,452.91
Interest on funded debt.....	3,527,415.00		3,529,005.00			1,590.00
Interest on unfunded debt.....	99,811.89		33,123.66		376,691.23	
Miscellaneous income charges.....	228,561.47		184,971.68		43,589.79	
Total Deductions from Income.....	\$7,205,558.34		\$6,945,513.10		\$260,045.24	
Net Income.....	\$4,266,006.94		\$10,021,112.99			\$5,755,106.05

## LEHIGH VALLEY RAILROAD COMPANY

Operating Revenues and Expenses, by Months, for the Year Ended December 31, 1927

## RAILWAY OPERATING REVENUES

Table 9

MONTHS	Coal Freight	Merchandise Freight	Passenger	Mail	Express	Other Passenger Train	Other Transportation	Incidental	TOTAL RAILWAY OPERATING REVENUES
January .....	\$1,751,937.56	\$2,954,908.88	\$642,084.72	\$25,149.38	\$80,823.07	\$154,676.23	\$79,858.34	\$126,539.16	\$5,815,977.34
February .....	1,591,738.87	2,981,987.62	507,080.63	26,498.83	86,942.89	142,183.79	57,848.23	124,392.99	5,518,693.85
March .....	1,652,966.75	3,450,483.74	520,904.74	25,034.11	127,825.38	162,199.51	68,246.11	152,056.01	6,159,736.35
April .....	1,845,941.67	3,388,547.99	617,740.54	25,114.88	127,894.60	165,965.12	76,256.44	116,223.25	6,363,684.49
May .....	2,149,146.13	3,610,828.74	626,207.12	27,817.38	98,527.78	187,096.51	80,173.70	94,377.22	6,874,174.58
June .....	1,896,828.11	3,418,924.33	692,111.20	25,141.32	93,680.64	183,161.15	71,143.85	118,017.12	6,499,007.72
July .....	1,089,091.90	3,033,103.49	790,081.90	25,167.99	80,861.68	166,866.93	58,062.41	121,298.11	5,364,534.41
August .....	2,137,232.35	3,597,777.91	792,029.27	26,426.08	114,282.32	176,971.44	75,641.84	95,115.70	7,015,476.91
September .....	1,936,739.70	3,556,067.23	738,344.44	27,567.83	139,300.98	135,888.75	65,291.92	91,529.72	6,690,730.57
October .....	2,007,965.70	3,671,424.44	583,624.08	25,332.50	142,377.38	137,849.36	38,255.27	85,881.16	6,692,709.89
November .....	1,618,429.69	3,504,067.49	536,087.22	25,286.34	112,229.41	138,268.94	39,504.41	86,670.46	6,060,543.96
December .....	1,444,349.97	2,917,169.62	642,178.15	34,964.55	119,851.59	147,713.31	57,944.91	83,376.74	5,447,548.84
Total .....	\$21,122,388.40	\$40,085,291.48	\$7,688,474.01	\$319,521.19	\$1,324,597.72	\$1,898,841.04	\$768,227.43	\$1,295,477.64	\$74,502,818.91

## RAILWAY OPERATING EXPENSES

MONTHS	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	Miscellaneous Operations	General	Transportation for Investment—Cr.	TOTAL RAILWAY OPERATING EXPENSES	NET REVENUE FROM RAILWAY OPERATIONS
January .....	\$569,744.40	\$1,486,294.10	\$136,890.14	\$2,777,997.07	\$35,026.21	\$192,663.68	\$9,567.21	\$5,189,048.39	\$626,928.95
February .....	513,999.89	1,246,429.73	129,873.02	2,464,779.36	30,446.23	142,905.72	2,279.28	4,526,154.67	992,539.18
March .....	644,978.02	1,480,927.71	134,720.08	2,648,457.27	31,003.85	142,085.43	1,611.80	5,080,560.56	1,079,175.79
April .....	702,931.12	1,346,669.32	135,104.53	2,553,742.22	33,871.87	142,156.70	237.08	4,914,238.68	1,449,445.81
May .....	718,285.71	1,459,780.61	134,977.06	2,640,163.76	39,098.47	133,204.00	621.98	5,124,887.63	1,749,286.95
June .....	758,070.30	1,413,733.92	139,904.52	2,389,130.58	39,050.73	145,761.07	772.77	4,884,878.35	1,614,129.37
July .....	877,878.37	1,302,835.73	136,293.51	2,324,599.20	43,153.56	146,029.41	453.08	4,830,336.70	534,197.71
August .....	906,944.19	1,437,847.80	136,537.77	2,422,690.96	42,792.30	139,545.71	1,243.10	5,085,115.63	1,930,361.28
September .....	781,275.64	1,447,455.70	135,436.91	2,506,508.39	40,790.45	140,414.64	3,253.13	5,048,628.60	1,642,101.97
October .....	751,830.86	1,491,624.99	136,696.66	2,667,443.28	37,645.36	142,581.91	988.96	5,226,834.10	1,465,875.79
November .....	544,408.47	1,448,584.93	140,779.85	2,595,251.43	34,463.70	141,274.70	882.25	4,903,880.83	1,156,663.13
December .....	540,118.67	1,318,763.09	135,559.64	2,286,148.10	36,306.10	139,119.43	187.22	4,455,827.81	991,721.03
Total .....	\$8,310,465.64	\$16,880,947.63	\$1,632,773.69	\$30,276,911.62	\$443,648.83	\$1,747,742.40	\$22,097.86	\$59,270,391.95	\$15,232,426.96



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## LEHIGH VALLEY RAILROAD COMPANY

General Operating Results for the Years Ended December 31, 1927 and 1926

Table 10

	1927	1926	INCREASE or Decrease	PER CENT.
TRAIN AND LOCOMOTIVE MILEAGE				
Revenue freight train miles—locomotive.....	6,788,408	7,142,993	354,585	4.96
Revenue passenger train miles—locomotive.....	3,044,958	3,474,200	429,242	12.36
Revenue milk and express train miles—locomotive.....	942,754	1,039,292	96,538	9.29
Revenue mixed train miles—locomotive.....	100,734	98,900	1,834	1.85
Revenue special train miles—locomotive.....	6,708	6,067	641	10.57
Total revenue service train miles—locomotive.....	10,883,562	11,761,452	877,890	7.46
Revenue freight train miles—motor.....	1,188	1,366	178	13.03
Revenue passenger train miles—motor.....	767,633	245,422	522,211	212.78
Revenue mixed train miles—motor.....	40,455	42,272	1,817	4.30
Revenue special train miles—motor.....	809,276	289,060	520,216	179.97
Total revenue service train miles—motor.....	11,692,838	12,050,512	357,674	2.97
Total revenue service train miles.....	1,509,693	1,702,986	193,293	11.35
Helping and light freight locomotive miles.....	576,995	564,742	12,253	2.17
Helping and light passenger locomotive miles.....	3,500	7,023	3,523	50.16
Helping and light mixed locomotive miles.....	1,036	1,447	411	28.40
Helping and light special locomotive miles.....	12,974,786	14,037,650	1,062,864	7.57
Total revenue service locomotive miles, excluding switching and motor.....	5,560,405	5,664,370	103,965	1.84
Switching locomotive miles.....	18,535,191	19,702,020	1,166,829	5.92
Total revenue service locomotive miles, excluding motor.....	773,056	808,001	34,945	4.32
Non-revenue service locomotive miles.....				
Per cent. helping and light of revenue service locomotive miles, excluding switching and motor.....	16.12	16.21	.09	.56
CAR MILEAGE				
Freight car mileage—loaded .....	208,907,659	224,093,253	15,185,594	6.78
Freight car mileage—empty .....	118,636,462	120,122,769	1,486,307	1.24
Freight car mileage—caboose .....	7,168,173	7,547,269	379,096	5.02
Total freight car miles.....	334,712,294	351,763,291	17,050,997	4.85
Average number of loaded freight cars per train.....	30.30	30.92	.62	2.01
Average number of empty freight cars per train.....	17.20	16.57	.63	3.80
Average number of all freight cars per train.....	47.50	47.49	.01	.....
Per cent. loaded of total car miles.....	62.41	63.71	1.30	2.04
Per cent. empty of total car miles.....	35.45	34.15	1.30	3.81
Per cent. caboose of total car miles.....	2.14	2.14	.....	.....
Passenger car miles—including Pullman.....	19,572,083	19,094,086	477,997	2.50
Baggage, dining, mail, express and milk car miles.....	16,963,692	17,465,486	501,794	2.87
Total passenger car miles.....	36,535,775	36,559,572	23,797	.07
Average number of passenger train cars per passenger train .....	7.65	7.65	.....	.....
Special revenue service car miles.....	60,475	53,342	7,133	13.37
Non-revenue service car miles.....	1,159,401	1,225,619	66,218	5.40

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## LEHIGH VALLEY RAILROAD COMPANY

## General Traffic Results for the Years Ended December 31, 1927 and 1926

Table 11

	1927	1926	INCREASE OR Decrease	PER CENT.
Average miles of road operated.....	1,363.85	1,363.76	.09	.01
FREIGHT TRAFFIC				
Tons of revenue freight carried.....	29,989,190	31,987,676	1,998,486	6.25
Tons of company freight carried.....	2,758,434	2,859,899	101,465	3.55
Tons of all freight carried.....	32,747,624	34,847,575	2,099,951	6.03
Tons of revenue coal carried one mile.....	1,687,562,596	2,070,191,458	382,628,862	18.48
Tons of revenue merchandise carried one mile.....	3,575,340,783	3,707,401,251	132,060,468	3.56
Tons of company freight carried one mile.....	179,122,377	188,179,219	9,056,842	4.81
Tons of all freight carried one mile.....	5,442,025,756	5,965,771,928	523,746,172	8.78
Tons of revenue freight carried one mile per mile of road.....	3,858,858	4,236,517	377,659	8.91
Average distance revenue freight carried—in miles.....	175.49	180.62	5.13	2.84
Revenue from freight.....	\$61,207,679.88	\$66,782,592.01	\$5,574,912.13	8.35
Average revenue per ton carried .....	\$2.04-099	\$2.08-776	\$.04-677	2.24
Average revenue per ton per mile—in cents.....	1.163	1.156	.007	.61
Freight revenue per mile of road operated.....	\$44,878.60	\$48,969.46	\$4,090.86	8.35
Freight revenue per revenue freight train mile.....	\$8.86-619	\$9.19-857	\$.33-238	3.61
Tons of revenue freight per revenue freight train.....	762.35	795.80	33.45	4.20
Tons of all freight per revenue freight train.....	788.30	821.72	33.42	4.07
Tons of all freight hauled per revenue service locomotive, excluding switching miles.....	647.68	666.43	18.75	2.81
Average number of tons of all freight in each loaded car.....	26.05	26.62	.57	2.14
PASSENGER TRAFFIC				
Revenue passengers carried .....	3,354,078	3,722,319	368,241	9.89
Revenue passengers carried one mile.....	260,220,170	271,921,702	11,701,532	4.30
Revenue passengers carried one mile per mile of road.....	190,798	199,391	8,593	4.31
Average distance carried—in miles.....	77.58	73.05	4.53	6.20
Revenue from passengers.....	\$7,688,474.01	\$7,936,046.96	\$247,572.95	3.12
Average revenue per passenger—in cents.....	229.228	213.202	16.026	7.52
Average revenue per passenger per mile—in cents.....	2.955	2.919	.036	1.23
Average revenue from passengers per passenger train mile (excluding milk and express).....	\$2.00-227	\$2.11-908	\$.11-681	5.51
Passenger service train revenue .....	\$11,231,433.96	\$11,477,288.71	\$245,854.75	2.14
Passenger service train revenue per mile of road.....	\$8,235.09	\$8,415.92	\$180.83	2.15
Passenger service train revenue per train mile (including milk and express).....	\$2.34-838	\$2.39-893	\$.05-055	2.11
Average revenue passengers per car .....	13	14	1	7.14
Average revenue passengers per train (including mixed).....	68	73	5	6.85
REVENUES AND EXPENSES				
Freight and passenger revenue .....	\$68,896,153.89	\$74,718,638.97	\$5,822,485.08	7.79
Freight and passenger revenue per mile of road.....	\$50,515.93	\$54,788.70	\$4,272.77	7.80
Total operating revenues .....	\$74,502,818.91	\$80,453,149.97	\$5,950,331.06	7.40
Total operating revenues per mile of road.....	\$54,626.84	\$58,993.63	\$4,366.79	7.40
Operating expenses.....	\$59,270,391.95	\$60,958,635.52	\$1,688,243.57	2.77
Ratio of operating expenses to operating revenues.....	79.55%	75.77%	3.78%	4.99
Operating expenses per mile of road.....	\$43,458.14	\$44,698.95	\$1,240.81	2.78
Net operating revenue .....	\$15,232,426.96	\$19,494,514.45	\$4,262,087.49	21.86
Net operating revenue per mile of road.....	\$11,168.70	\$14,294.68	\$3,125.98	21.87



1927

## LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1927 and 1926

Table 12

COMMODITY	1927		1926	
	TONS	PER CENT.	TONS	PER CENT.
PRODUCTS OF AGRICULTURE:				
Wheat .....	549,197	1.83	657,280	2.05
Corn .....	123,791	.41	129,852	.41
Oats .....	112,233	.37	127,217	.40
Other grain .....	216,552	.72	107,274	.34
Flour and meal.....	906,101	3.02	966,549	3.02
Other mill products.....	369,988	1.23	349,728	1.09
Hay, straw and alfalfa.....	138,736	.46	163,565	.51
Tobacco .....	7,835	.03	6,837	.02
Cotton .....	55,508	.19	34,010	.11
Cotton seed and products, except oil.....	8,237	.03	5,888	.02
Citrus fruits.....	17,172	.06	13,712	.04
Other fresh fruits.....	102,720	.34	102,280	.32
Potatoes .....	37,941	.13	33,613	.11
Other fresh vegetables.....	74,920	.25	75,499	.24
Dried fruits and vegetables.....	11,926	.04	10,228	.03
Other products of agriculture.....	100,602	.34	90,787	.28
Total .....	2,833,459	9.45	2,874,319	8.99
PRODUCTS OF ANIMALS:				
Horses and mules.....	914	.00	770	.00
Cattle and calves.....	27,542	.09	26,594	.08
Sheep and goats.....	1,122	.00	1,069	.00
Hogs .....	25,207	.09	21,771	.07
Fresh meats.....	162,581	.54	160,137	.50
Other packing-house products.....	98,635	.33	135,748	.43
Poultry .....	27,856	.09	23,281	.07
Eggs .....	31,550	.11	36,019	.11
Butter and cheese.....	50,427	.17	44,873	.14
Wool .....	9,566	.03	8,359	.03
Hides and leather.....	42,786	.14	37,679	.12
Other products of animals.....	16,406	.06	16,424	.05
Total .....	494,592	1.65	512,724	1.60
PRODUCTS OF MINES:				
Anthracite coal .....	11,309,238	37.71	12,349,005	38.61
Bituminous coal .....	1,916,219	6.39	2,413,058	7.54
Coke .....	98,238	.33	220,917	.69
Iron ore.....	988,416	3.30	857,639	2.68
Other ores and concentrates.....	28,568	.09	72,517	.23
Base bullion and matte.....	24,285	.08	22,316	.07
Clay, gravel, sand and stone.....	1,803,188	6.01	1,645,095	5.14
Crude petroleum .....	391	.00	312	.00
Asphaltum .....	168,888	.56	171,750	.54
Salt .....	322,920	1.08	319,615	1.00
Other products of mines.....	47,441	.16	18,424	.06
Total .....	16,707,792	55.71	18,090,648	56.56

## LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1927 and 1926, Continued

Table 12

COMMODITY	1927		1926	
	Tons	PER CENT.	Tons	PER CENT.
PRODUCTS OF FORESTS:				
Logs, posts, poles and cord wood.....	105,817	.35	139,353	.44
Ties .....	3,199	.01	2,056	.01
Pulp Wood .....	2,804	.01	950	.00
Lumber, timber, box shooks, staves and headings.....	460,342	1.54	481,531	1.50
Other products of forests.....	50,255	.17	41,249	.13
Total .....	622,417	2.08	665,139	2.08
MANUFACTURES AND MISCELLANEOUS:				
Refined petroleum and its products.....	873,484	2.91	779,255	2.44
Vegetable oils.....	26,346	.09	21,308	.07
Sugar, sirup, glucose and molasses.....	153,163	.51	170,203	.53
Boats and vessel supplies.....	637	.00	171	.00
Iron, pig and bloom.....	254,413	.85	227,913	.71
Rails and fastenings.....	38,331	.13	10,779	.03
Bar and sheet iron, structural iron and iron pipe.....	882,217	2.94	951,349	2.97
Other metals, pig, bar and sheet.....	131,913	.44	139,433	.44
Castings, machinery and boilers.....	153,208	.51	99,986	.31
Cement .....	1,856,024	6.19	1,761,619	5.51
Brick and artificial stone.....	236,102	.79	209,755	.65
Lime and plaster.....	90,556	.30	65,855	.21
Sewer pipe and drain tile.....	26,409	.09	2,743	.01
Agricultural implements and vehicles other than automobiles	54,512	.18	43,558	.14
Automobiles and autotrucks.....	316,992	1.06	395,053	1.23
Household goods and secondhand furniture.....	1,272	.00	1,341	.00
Furniture (new).....	32,496	.11	34,648	.11
Beverages .....	24,745	.08	25,868	.08
Ice .....	107,603	.36	105,542	.33
Fertilizers (all kinds).....	65,230	.22	41,873	.13
Paper, printed matter and books.....	53,383	.18	38,311	.12
Chemicals and explosives.....	326,908	1.09	261,023	.82
Textiles .....	11,854	.04	11,016	.03
Canned goods (all canned food products).....	150,842	.50	134,078	.42
Other manufactures and miscellaneous.....	2,753,949	9.18	3,463,669	10.83
Total .....	8,622,589	28.75	8,996,349	28.12
Grand Total, Carload Traffic.....	29,280,849	97.64	31,139,179	97.35
Merchandise—All L. C. L. freight.....	708,341	2.36	848,497	2.65
Grand Total, Carload and L. C. L. Traffic.....	29,989,190	100.00	31,987,676	100.00



## LEHIGH VALLEY RAILROAD COMPANY

## GENERAL REMARKS TO RAILROAD STOCKHOLDERS

Prospects at the beginning of 1927 indicated there was every reason for expecting a continuation of the success and prosperity of 1926. Troubles in the bituminous coal fields and a serious curtailment in production among some of the automobile manufacturers soon served to produce a hesitancy and caution in general business which the actual conditions did not seem to warrant. Building construction continued along normal lines, crops generally were excellent, there was no serious unemployment and no money stringency. Despite optimism at Washington and the financial centers, business declined materially. Buying, already on a hand-to-mouth basis, largely as a result of the dependable railroad service, became even more restricted. The public apparently decided that it was prudent to avoid commitments and restrict purchases to a minimum.

There is nothing in the outlook for 1928 that is particularly disturbing and there is reason for viewing the coming twelve months with optimism. It is true we are in a Presidential election year, but this should not have any serious effect upon business. Unfortunately, however, past experience has shown that we may encounter uncertainties having a tendency to shake confidence, which, of course, is the foundation of prosperity.

With the railroads prepared to meet all demands which may be made upon them, it is necessary, apparently, to go outside of the industry to find a railroad problem. The question of consolidation—the need for it and the methods by which it may be accomplished—remains unsolved. Undoubtedly, there are reasons why railroads, under certain circumstances, should be unified, and it is only proper that this should be permitted subject to the approval of the Interstate Commerce Commission, which would safeguard the public's interest in such matters and insure the continuance of competition and that quality of service heretofore given.

Aside from this matter of consolidation, those outside the railroad industry concerned about its problems seem most disturbed over freight rates. In 1925, Congress, ostensibly to help the agricultural interests, then facing a serious depression, adopted the Hoch-Smith resolution, providing that the Commission should investigate the country's freight rate structure and then readjust freight rates so that agricultural products and the products of other industries suffering from depression, might be transported at the lowest rates compatible with the maintenance of adequate railroad service. Congress recently has been advised that the Commission thus far has spent a considerable sum on this inquiry, to say nothing of the expenses of the railroads and the shippers who found it necessary to protect their interests. Furthermore, it is impossible to predict when the inquiry will be finished. In the meanwhile, the conditions responsible are changing, but unless Congress repeals the resolution the Commission must go ahead spending the taxpayers' money on what seems an impossible and well-nigh endless task. This is one of the cases where Congress, having given the Commission full authority in rate matters, later intervened—for political reasons. The Commission should be permitted to handle rate matters in a judicial manner and without regard to other considerations if full justice is to be done the public and it is to be assured adequate transportation service.

Recently, there has been a tendency upon the part of many interests to seek to reduce their transportation costs in an effort to overcome economic conditions within their own industries or to meet new competition from without. Apparently, the first thought under such circumstances is to appeal to the Commission for aid in compelling a contribution from the railroads regardless of their own relative prosperity. Such an attitude is one of grave danger to these industries and to the railroads. It is an established axiom that the country receives the kind of transportation for which it pays. As rates are forced down and the net earnings of the railroads approach the vanishing point, it must necessarily follow that there is going to be a slowing up in efficiency of operation which will have a material effect upon business and completely nullify the advantages of the rate reductions.

Success of railroad transportation in recent years has been due in no small measure to the full co-operation received from the shipping public. This spirit must be maintained if the character of service is to remain upon a high plane.

E. E. LOOMIS,  
President.











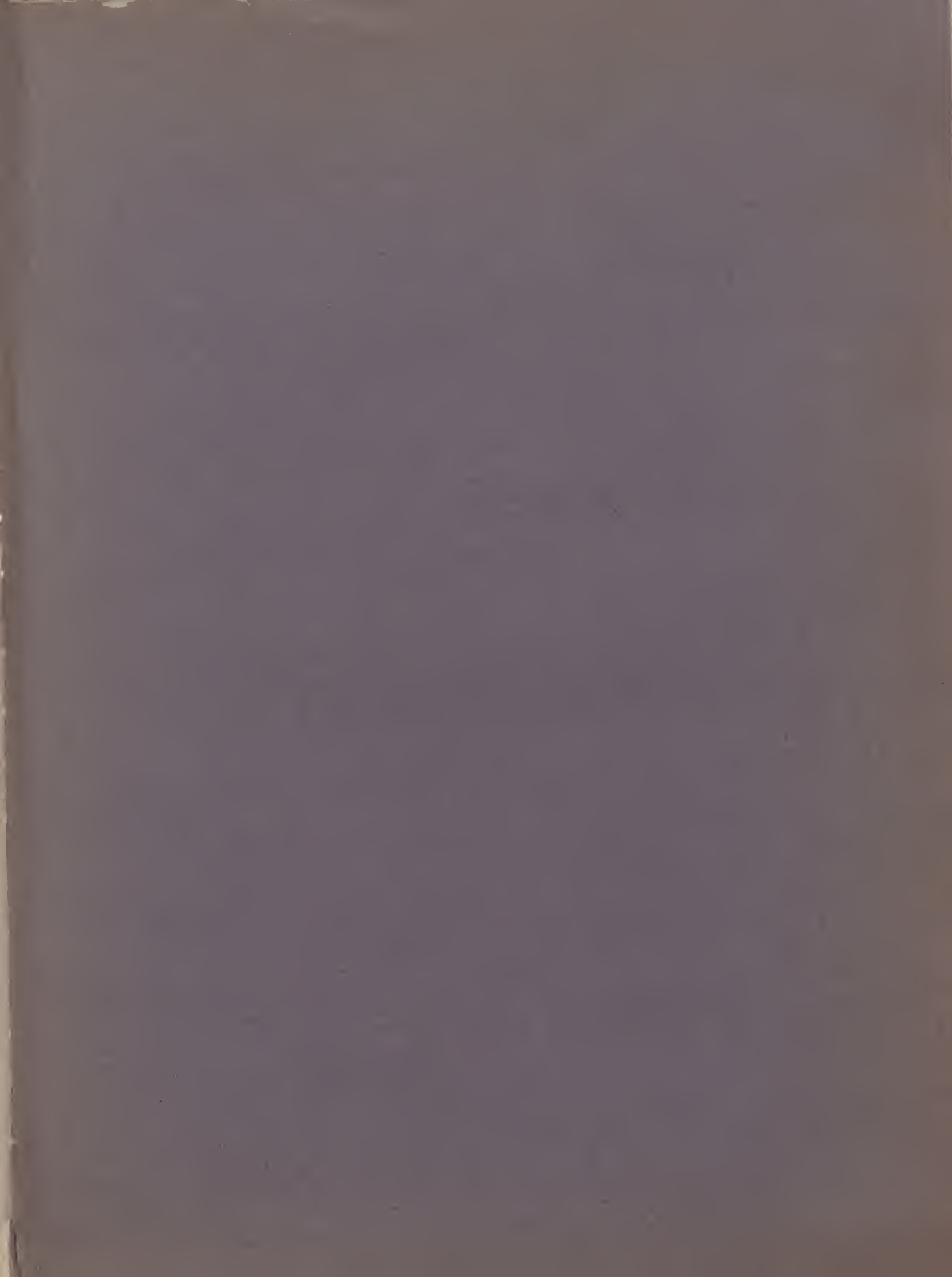


# Lehigh



Lehigh







**1927**